

SECRET

CIA Sleuths Got Out-Slickered

WASHINGTON — That unpublicized House investigation of the super-secret Central Intelligence Agency has uncovered some jolting disclosures. The most astonishing is an almost incredible story of the CIA forking over more than \$1 million for hidden ore in Japan in exchange for super Communist information, only to find that both it and the ore were actually worthless, and the deal had been engineered by an American who pocketed upwards of \$100,000.

Further, he has gone scot-free. The probers have been told that when this case was turned over to the Justice Department, it was dissuaded from prosecuting by the Intelligence Agency. The reason the House probers have been told, is that the swindler warned he would spill the whole story in court.

To avert such an embarrassing disclosure from the CIA, according to the investigators' account, it induced the Justice Department to drop the case.



Mr. Allen

ANOTHER startling discovery is that CIA is one of the biggest contractors in the government. In 1958, on the basis of one study in the probers' hands, the Intelligence Agency was the largest contractor in the Department of Defense and the Atomic Energy Commission. Practically all of

CIA's buying is in foreign countries. This agency is the only one in the government whose budget has never been revealed. It is secreted in the funds of various federal bodies. Authoritative congressional sources have estimated CIA's annual appropriation as between \$350 and \$500 million. The House investigation is the first large-scale scrutiny of CIA's policies and activities since it was established after World War II.

The probe is being made by a special subcommittee member Armed Services Subcommittee, headed by Representative Paul Kilday (D., Tex.), one of the ablest and most respected members of Congress. An expert staff has been compiling data about CIA for months in preparation for hearings at a still undetermined date.

ALSO being looked into by the House probers is what is described as "Director Allen Dulles' policy of establishing closer ties between the U.S. and Russia in scientific and other peaceful fields."

State and Defense sources are crediting CIA chief with playing a major role in expanding such relations.

As explained to the investigators, it is Dulles' theory that the more the U.S. and Russia operate in joint peaceful endeavors, "the more the Reds will be inclined to provocation and aggression. To that end, the CIA head is working to strongly favor increased cultural and other exchanges between the two countries, and closer association between their specialists and experts of all kinds.

Representative Kilday and his committee plan to question Dulles about these reputed views.

SECRET